CHAPTER 11

LOGISTICS   REASSIGNMENTS

A.   GENERAL

    1.   This chapter provides policies and Procedures designed to:

        a.   Ensure successful LR of both consumable and nonconsumable items resulting from the DoD program for implementation of **IMM** assignments including LR of items resulting from a change in FSC.

        b.   Provide adequate management control of items in a transitional situation.

        c.   Assure uninterrupted supply support of items during the transition period.

    2.   To facilitate the comprehension of this chapter, the LR process has been divided into three periods of time based upon the ETD.   These periods are identified as **pre-ETD,** ETD, and **post-ETD.**   The **pre-ETD** period commences on the date the GIM **assignment/ETD** is disseminated **to** the **GIM/LIM** and terminates at ETD.   The ETD is the date of "the LR.   Although the ETD is a specific point in time, for the purpose of this manual, any actions involving data requirements that reflect conditions as of the ETD will be discussed as if such actions took place on the ETD, even though they may have been taken immediately before or after the actual ETD.   The **post-ETD** period commences immediately following the ETD and includes all actions that do not specifically involve data requirements. that reflect conditions as of the ETD.   The specific events required to take **place** during the LR are delineated under the appropriate period.

B.   POLICY

    1.   LRs will be accomplished on the ETD so as to assure uninterrupted supply support.

    2.   The **LIM** will assure that a full" pipeline is transferred on stocked 'items to the **GIM.**   Transfer of assets resulting from LR will be made on a nonreimbursable basis.

    3.   A physical inventory of stock on hand will be performed for wholesale assets designated as classified or sensitive.   A physical inventory is not required for wholesale assets not designated as classified or sensitive.

4. The GIM will accept, as of the ETD, those items and book balances submitted by the LIM. All onhand wholesale balances will be transferred in place except:

a. Assets in Supply Condition Codes H, J, K, L, Q, R, and S.

b. Assets committed to the support of special projects, programs, and/or plans including ILP, e.g., **staged** shipments, packaged shipments. Onhand wholesale assets in **support** of ILP will not be transferred to the **GIM** nor will any ongoing procurement action in support of the ILP be terminated.

5. Wholesale assets, other than Supply Condition Codes H, J, K, L, Q, R, and S, generated during the first year subsequent to the ETD will be recapitalized, by the LIM to the **GIM** on an expedited basis. Assets generated after 1 year of ETD will be reported under the **MILSTRIP** Materiel Returns Program. Except as noted in sections B.6. and G., assets recapitalized more than 1 year after the ETD will be rejected using **DI** Code DZG, Transaction Reject with Reject Advice Code **AW.**

6. The responsible procurement office of the LIM will process to completion all uncompleted contracts covering items to be transferred. Indefinite delivery type contracts and/or multi-year contracts where the remaining contract period exceeds 1 calendar year from the ETD may be transferred subject to review and mutual agreement of the responsible procurement office of the **LIM/GIM** involved. When the contract delivery exceeds the 1 year criteria the **LIM/GIM** must be able to accept and process the LR transactions initiated when assets are received.

7. Recapitalized assets will remain under the physical care and custody of the **LIM** storage sites at which the assets were **decapital-ized** until they are issued, relocated, and/or disposed of at the direction of the **GIM.** Relocation of recapitalized assets may be initiated at the discretion of the **GIM** or may be initiated when it is determined by the LIM and mutually agreed to by the **GIM,** to be more economical or essential to physically consolidate and/or ship materiel to storage locations under the control of the **GIM,** rather than attrite the stocks in place. Prior to implementing any reloca-tion decisions, a cost effectiveness analysis will be conducted in accordance with DoD Instruction 4140.49, (reference (p)), which prescribes the DoD policy and procedures for reaching cost-effective decisions on retention or movement of materiel located at attrition sites. The **LIM** will fund relocation costs (warehousing services and transportation) incident to a **LIM** requested movement of LR stocks from a LIM to a **GIM** designated storage site unless otherwise nego-tiated.

8. Unit of issue and/or quantitative expression conflicts, if any, must be resolved prior to the ETD.

9. Uniform automatic data processing techniques will be utilized to the maximum extent possible in processing LRs.

c. **PRE-ETD** <u>ACTIONS</u>

The following actions will be accomplished during the **pre-ETD** period:

1. <u>General</u>

a. **The** GIM determines the **ETD** and notifies DLSC/DIDS via cataloging transactions. DLSC then broadcasts the LR/ETD to users. Contact points are established at the collaboration point prior to an agreed ETD.

b. Uninterrupted supply support during the transition period of LRs is of equal concern to the GIM and LIM. The LIM and GIM will promulgate sufficient interchange of information data and action to effect a harmonious LR. Direct communication, coordination, and assistance is required in resolving problems affecting supply **opera-tion.**

c. **On** items being logistically reassigned to a **GIM,** the LIM will maintain stock levels (i.e., full supply pipeline) through the **pre-ETD** period at the stock levels that would have been maintained if the items were not going **to** be logistically reassigned. However, coordination between the LIM and GIM is required to preclude procure-ments by the LIM in the event the GIM is in a potential long supply or excess asset position.

d. The LIM shall be responsible for notifying the GIM during the transition period of any item that is or may become in short supply (e.g., less than minimum reserve/control level) in order that mutually agreed to corrective action can be taken.

e. **The LIM** will furnish technical data (price history, bidders' list, requirements type contracts, industrial readiness information, and other procurement data) as specified in DoD Instruc-tion 5010.12 (reference **(bb)).** Based on coordination efforts between the GIM and LIM, a specified date will be established to physically transfer these data.

f. The LIM will advise the GIM of the categories of Govern-ment-owned IPE, Special Tooling and Test Equipment applicable to the production of an item logistically reassigned.

g. The LIM procurement office will provide the GIM **with con-**tractual status on contracts either retained by the LIM or assigned to DCAS for contract administration. Contract status includes but is not limited to delivery status, acceleration of delivery, followup status requests, and executing appropriate modifications to basic contracts.

h. Throughout the pre-ETD period the LIM will furnish list- . . . .
ings of all purchase requests (procurement actions that have not
reached award stages) to the **GIM.** The **GIM** will, within 15 calendar
days subsequent to the receipt of purchase request listing from the
LIM, annotate required changes and return one copy to the LIM. Any
purchase request deemed appropriate for continuation of procurement
action will be funded by the LIM.

i. Assets in Supply Condition Codes Q (Air Force only) and R
will be reclassified by the **LIM** to the appropriate condition code
before the **LIM** provides the updated Supply Control Study, prescribed
by paragraph **C.5.**, to the **GIM.**

j. For assets in Supply Condition Code H, the LIM will
either forward the assets to disposal or reclassify the item to its
true condition as authorized by chapter 5.

2. One hundred and fifty days prior to ETD or upon notification,
if less than 150 days:

a. The LIM will furnish the **GIM,** via letter of transmittal,
a supply control study (individual item study). **In addition, the LIM
will advise the** GIM of assets being held for litigation action.

b. **The LIM will** discontinue initiating disposal actions for
issuable wholesale assets which are in an excess position. Disposal
actions will continue for condemned materiel.

3. <u>Sixty Days Prior to ETD</u>

a. The **LIM** will discontinue **intra-Serv**ice distribution to
storage activities of wholesale stocks for those assets anticipated
to be transferred to a **GIM.**

b. When a **DI** Code FTE Excess Report is submit**ted to** the LIM
and the LIM stock age position indicates that disposal action is
appropriate, the LIM will furnish the reporting activity with a **DI**
Code FTR Reply to Excess Report, using Excess Transaction Status Code
SM. This will indicate to the reporting activity that disposal
action is appropriate but the item is in process of migrating and
further action is deferred until after ETD.

c. **The LIM** will perform a physical inventory of stock onhand
for wholesale assets designated as classified or sensitive (see
Definitions and Terms for explanation of terms). Physical inven-
tories will be conducted as outlined in chapter 7.

4. **By** mutual agreement between the **GIM/LIM, the LIM** will initiate
action approximately 45 days prior to the ETD, to amend existing **con-**
tracts/purchase orders for items being transferred to provide for
diversion of shipments of stock by quantities into the storage depots

of the **GIM.** The **GIM** will provide addresses of the shipping **destina-tions** to the LIM, as appropriate. The due-in will be retained by the **LIM.**

5. <u>Thirty Days Prior to the ETD</u>

a. The LIM will furnish the **GIM** a WMR data listing sequenced by NSN **and** DoD Component (and **RI** code within Component when the requirements have been allocated), major to 'minor, reflecting the current computed data. Include the quantity and value of the **OWMR; OWRMR; OWRMRP;** forecasted reparable return data, if applicable; **PWRMR; PWRMRP;** dollar value subtotals for FSC, **RI** code if allocated, and DoD Component; and grand total dollar value. The LIM will include the **OWRMRP** in the calculation of full pipeline support required by paragraph B.2.

b. The LIM will mail the WMR data listing to the **GIM** together with WMR transactions, **DI** Code DM_. The DM_ transactions, prepared in the appendix C26 format, will reflect the original input from which the computed data was generated. Upon receipt of the **DM_** transactions, the **GIM** will process them to recompute the WMR data as prescribed in chapter 15, paragraph B.3.

c. The **LIM** will furnish the **GIM,** via letter of transmittal, an updated supply control study (individual item study) and latest status of assets being held for litigation action.

D. <u>ETD PERIOD ACTIONS</u>

The following actions will be accomplished during the ETD period:

1. The **LIM** will transfer wholesale asset accountability for **on-hand** assets to the **GIM.** The **GIM** will accept, as of the ETD, those items and book balances submitted by the LIM. The **GIM** will assume the responsibility for wholesale supply support on ETD and will accept funded requisitions from all authorized requisitioners as of that date.

2. The LIM will decrease the inventory control record utilizing **DI** Code **D9E** Decrease-Logistic Transfer or D9F **Decrease-Decapitaliza-tion** transactions, as appropriate. The decrease will be accomplished through the use of the **DD** Form 1487, prepared as outlined in appendix **C5.**

3. The **LIM** will prepare and transmit to the **GIM the** required transfer transactions by condition and location utilizing **DI** Code DEE Logistic Transfer or DEF **Decapitalization** transactions as appropri-ate. (See appendix **C12.)** Telephone communication between the **GIM** and LIM is authorized to resolve transactions that reject **from** the validation process.

4.   The **LIM will** advise the **GIM** of the latest data available on assets being held for litigation action.

5.   The **LIM** will furnish due-in information **(DI** Code DDX or **DFX)** as of the ETD to the **GIM.** Information as to quantity will reflect only that which is available for transfer. Due-in information will be forwarded to the **GIM** through use of the appropriate due-in **trans**-actions prepared as outlined in appendix **C11 or C13.** Upon receipt, the **GIM** will establish a memorandum due-in.

6.   The LIM will furnish the GIM storage activity a PMR, **DI** Code DU_, prepared as outlined in appendix C38, for each due-in from procurement on which the destination has been changed to the **GIM.** In addition, the LIM will furnish the LIM Storage Activity a PMR containing an X-punch (entry of **n-zone** punch in record position 25) for deletion of the PMR from their file.

7.   Transfer of backorders to the **GIM will** be accomplished by means of referral/passing orders prepared in accordance with **MILSTRIP** (reference (h)). Backorders transferred between Services/Agencies will be funded.

8.   For items with SPR, the LIM will prepare and transmit to the forecasting activity an SPR Status transaction as outlined in chapter 14.

9.   The **LIM** will issue an LR Storage Information transaction (DI Code **DZC)** to their storage activities which serves as a notification that wholesale stocks stored are now under the ownership and account-ability of the **GIM.** The **LIM's** storage activity will prepare an LR Storage Information Reply **(DI** Code DZD) within 5 working days advising the LIM of the quantity transferred to the **GIM** ownership. In **the event the LIM's storage activity does not receive a DZC, the storage activity** will prepare a DZD with **an** A in record position 7, reflecting each balance by supply condition code, and transmit to the **LIM.** Additional processing instructions pertaining to the LR Storage Information transaction are outlined in chapter 10.

E.   **GIM POST-ETD** ACTIONS

The **folloiwng** actions will be accomplished during the **post-ETD** period:

1.   The **GIM** will convert the DEE or DEF transaction received from the LIM to **DI** Code **D8E** (Increase-Logistic Transfer) or D8F (Increase-Capitalization), as appropriate to establish or increase the inven-tory balances. (This action is not required upon receipt of a DEE/ DEF with a zero quantity.) This will be accomplished through use of the **DD** Form 1487 prepared as outlined in appendix C5. The **GIM** will accept, as of the ETD, those items and book balances submitted by the **LIM** in the **DEE/DEF** transaction.

2. Due-in transactions received from the LIM **will** be recorded as a memorandum due-in by the **GIM.** In the event materiel (other than procurement) has not been received within 6 months of ETD, the memorandum due-in will be deleted by the **GIM.** However, memorandum due-in (from procurement sources) will not be deleted by the **GIM** unless the LIM cancels the procurement action.

3. The **GIM,** when appropriate, will **furnish** reconsignment instructions to the LIM for items due-in from undelivered contracts of the LIM. Reporting of receipts from these contracts subsequent to the ETD will be in accordance with section G.

4. The **GIM** will accept and process **DEE/DEF** reversal (11-zone punch in record position 25) transactions, adjust accountable records, and discontinue processing any other transactions against the LR assets until such time new DEE/DEF transactions from the LIM are processed. **In** the event **DEE/DEF** reversal transactions are received with an incorrect zone punch, the **GIM** may elect to contact the **LIM** to verify that the reversal action is appropriate, correct the transaction and continue to process or reject the transactions using the DZG Transaction Reject document with Reject Advice Code AE (Rejected-Quantity field invalid).

5. The **GIM,** if appropriate, will furnish disposition instructions for assets remaining on hand **at the LIM's storage sites. Disposition instructions will be in** MILSTRIP (reference (h)) format **(MROs or RDOs).**

F. **LIM POST-ETD** ACTION

The following actions will be accomplished during the **post-ETD** period:

1. The LIM will take action to change the destination of undelivered purchases upon request of the **GIM.** Upon changing the quantity due-in/destination, prepare and transmit a due-in reversal" and new due-in to the **GIM.** Additionally, when an award is made for an unawarded Purchase Request, prepare and transmit to the **GIM** a Memorandum Due-in transaction, **DI** Code DDX and a Pre-Positioned Materiel Receipt transaction, **DI** Code DU_, to the applicable storage activity.

2. The LIM will enter litigation proceedings on all items in Supply Condition Code L which are either on hand at ETD or subsequently received by either the **GIM** or **LIM** on **LIM** negotiated contracts. The **LIM** will notify the **GIM** of actions being taken to resolve the litigation action.

3. When an item previously transferred to the **GIM is** restored to an issuable condition or when inspection of stocks on hand reveals a change in condition of the materiel, the **GIM** will be

notified of the condition transfer. Notification will be accomplished by preparation and submission of an Inventory Adjustment Transaction, **DI** Code DAC, formatted as outlined in appendix C9.

4. Upon receipt of, the DZD (LR Storage Information Reply transaction), the LIM will review the quantity. When the quantity in the DZD is greater than the quantity reflected in **the DZC** (LR Storage Information transaction) the LIM will take action to transfer the additional quantity to the **GIM** on a new DEE/DEF transaction. When the quantity in the **DZD** is **less** than the quantity in the **DZC** the **LIM** should (1) within 24 hours initiate action to reverse the previously submitted **DEE/DEF** (total quantity) transactions for that location, (2) conduct research and/or request **a special** inventory when deemed appropriate, (3) determine that the quantity reported by the **LIM's** storage activity is correct (based on the best data available after research/inventory) , (4) provide the **GIM** new DEE/DEF transactions which will contain new document numbers with the revised quantity, and (5) complete this action within 30 days after the ETD to prevent a time lag between the ETD and corrective action. In the event extenuating circumstances prevent a LIM from accomplishing this task within 30 days the LIM should notify the **GIM** of the problem and expected date when the problem should be resolved (not to exceed 60 days past the **ETD).** If the DZD transaction is for an item for which the **LIM** provided a DEE/DEF transaction with a zero balance, and contains a transferable quantity, a new DEE/DEF will be provided the **GIM** reflecting the appropriate quantity, condition, and location. When this condition exists no DEE/DEF reversal will be prepared.

G. RECEIPT PROCESSING AFTER ETD

1. Receipts from Procurement

a. Upon receipt of assets from procurement by either the **GIM** or **LIM storage** activity, forward a Materiel Receipt Transaction **(DI** Code D4S) prepared in the format shown in appendix Cl to the **LIM.**

b. Procurement receipts received after" 1 year past the ETD will be processed by the LIM and **GIM** in the same manner that procurement receipts would be processed when received during the ETD to 1 year period.

c* **The LIM** will:

(1) Process the storage activity initiated D4S receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

(2) Decrease the inventory control record utilizing **DI** Code **D9E/D9F,** as appropriate.

(3) Transmit a Materiel Receipt Transaction **(DI** Code **D4X)**, prepared in the format shown in appendix CI to the **GIM.**

(4) Prepare and transmit a Logistics **Transfer/Decapitalization** Transaction (DI Code **DEE/DEF)** to the **GIM.**

d. The **GIM** will utilize the **D4X transaction** to reduce the memorandum due-in record and will use the **DEE/DEF** transaction to record assets on the accountable record for the quantity received.

e. For materiel received for which litigation is required, the LIM will record assets on the accountable record in Supply Condition Code L and reduce the due-in record. At this time, no action will be taken by the LIM to remove or change the **GIM's** memorandum due-in by producing a D4X transaction. When the litigation proceedings are completed and the materiel is reclassified to an issuable condition, the LIM will provide the **GIM DEE/DEF** and D4X transactions to effect the LR and reduce the memorandum due-ins. **In the event** materiel is returned to the contractor due to litigation proceedings the **LIM** will notify the **GIM** via written communication. Appropriate action must be taken by the **LIM** to reestablish a due-in if the materiel being returned to the contractor for deficiency correction will eventually be returned to the **LIM's** storage activity.

f. **In** the event assets from procurement are received for which there are no PMR documents recorded at the receiving storage activity, the receiving activity will report the receipt to the cognizant **Item** Manager. **If the GIM** does not have a recorded due-in and the item was recently involved in an LR, the **GIM** should research/ contact the LIM to determine proper reporting of the receipt to maintain accountability accuracy. **If** the procurement receipt is incorrectly reported to the LIM (and the **LIM** did not initiate the procurement action) the receipt should be rejected to the initiator with a DZG Transaction Reject and Reject Advice Code AB (see appendices C58 and B9 for appropriate format and definition).

2. <u>Receipts from Other Than Procurement</u>

a. The **LIM's** Storage Activity upon receipt of assets from other than procurement, will prepare and forward a Materiel Receipt Transaction (DI Code D6_) to the **LIM.**

b. <u>**The LIM** will</u>:

(1) Process the storage activity initiated D6_ receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

(2) Decrease the inventory control record utilizing **DI** Code **D9E/D9F, as** appropriate.

(3) Prepare and transmit a Materiel Receipt Transaction, ... DI Code D6X, to **GIM.**

(4) Prepare and transmit a Logistics **Transfer/Decapital-**ization Transaction **(DI** Code **DEE/DEF)** to the **GIM.**

c. The **GIM** will utilize the D6X transaction to reduce the memorandum due-in record and will use the **DEE/DEF** transaction to record assets on the accountable record for the quantity received.

d. In the event assets from other than procurement sources are received for which there are no PMRs recorded at the receiving storage activity, the receiving activity will report the receipt to the cognizant item manager (the **GIM).** If the receipt is incorrectly reported to an item manager the receipt should be rejected to the initiator with a DZG Transaction Reject and Reject Advice Code AB (see appendices C58 and **B9** for appropriate format and definition).

H.   FOLLOWUP FOR ASSET DATA

Logistic **Transfer/Decapitalizati**on **Followup** transactions are transmitted to the LIM by the **GIM** in those instances of nonreceipt of asset or due-in data within 10 days after the ETD. These trans-actions will be identified by **DI** Code **DLA** and prepared in the format outlined in appendix C20.

I.   REPLY TO FOLLOWUP FOR ASSET DATA

1. Reply to Logistic **Transfer/Decapitalizati**on **Followup** transac-tion will be prepared by the LIM in the format shown in appendix C21 and identified by **DI** Code DLB.

2. The DLB response documents will contain the appropriate Asset Transfer Status Codes from appendix **B11 to** advise the **GIM** that:

a. No assets are available for transfer.

b. **DEE/DEF** Logistic **Transfer/Decapitalizati**on transaction previously submitted. Duplicate transactions will be submitted.

c. **DEE/DEF** Logistic **Transfer/Decapitalizati**on transaction will be submitted.

d. No assets are available for transfer but due-ins exist. Due-in transactions **will** be submitted.